EXHIBIT 2

	Page 1
1	UNITED STATES DISTRICT COURT
	NORTHERN DISTRICT OF ILLINOIS
2	EASTERN DIVISION
3	
4	DOROTHY FORTH, DONNA BAILEY,)
	LISA BULLARD, RICARDO GONZALES,)
5	CYNTHIA RUSSO, TROY TERMINE,)
	INTERNATIONAL BROTHERHOOD OF)
6	ELECTRICAL WORKERS LOCAL 38)
	HEALTH AND WELFARE FUND,)
7	INTERNATIONAL UNION OF)
	OPERATING ENGINEERS LOCAL 295-)
8	295C WELFARE FUND, AND)
	STEAMFITTERS FUND LOCAL 439, on)
9	Behalf of Themselves and All)
	Similarly Situated,)
10)
	Plaintiffs,)
11) Civil No.
	vs.) 17-CV-2246
12)
	WALGREEN CO.,)
13)
	Defendant.)
14	
15	
16	** CONFIDENTIAL **
17	
18	The video deposition of MICHAEL AMIET, taken
19	before Richard Derrick Ehrlich, Registered Merit
20	Reporter, Certified Realtime Reporter, taken
21	pursuant to the Federal Rules of Civil Procedure, at
22	Reed Smith, LLP, 10 S. Wacker Drive, Chicago,
23	Illinois, commencing at 9:00 a.m., on the 20th day
24	of November, 2019.
25	

		Page 2
1		APPEARANCES
2		
3	On behalf	of the Plaintiffs:
4		Joseph P. Guglielmo
		Carey Alexander
5		SCOTT + SCOTT, ATTORNEYS AT LAW, LLP
		230 Park Avenue, 17th Floor
6		New York, NY 10169
		212.223.4478
7		jguglielmo@scott-scott.com
		calexander@scott-scott.com
8		
9	On behalf	of the Defendant:
10		Selina P. Coleman
		Michael Leib
11		REED SMITH
		1301 K Street, N.W.
12		Suite 1000 - East Tower
		Washington, D.C. 20005
13		202.414.9220
		scoleman@reedsmith.com
14		mleib@reedsmith.com
15		Daniel D. Bitanamald
16		Daniel P. Fitzgerald
1.0		Senior Counsel WALGREEN CO.
17		104 Wilmot Road
Ι,		Deerfield, IL 60015
18		847.315.4857
10		dan.fitzgerald@walgreens.com
19		dan. 1102gclalae walgloons. com
20	Videograpl	ner:
21	Daniel Fro	
22		
23		
24		
25		

		Page 71
1		that?
2	A	So that would've been prior to the initial
3		April 2006 pilot. As Jay was speaking with his
4		boss, Michelle Garvey, in the lead-up to
5		thinking about piloting this, they were having
6		discussions about what the purpose would be of
7		creating this type of a product. And so I don't
8		know the exact time frame, but it would've been
9		prior to that April of 2006 pilot launch.
10	Q	And when was the initial reason when was
11		that you said it was abandoned. When was it
12		abandoned
13		MS. COLEMAN: Objection.
14	BY I	MR. GUGLIELMO:
15	Q	the determination to offer the Prescription
16		Savings Club in connection with Part D coverage?
17	A	Sometime prior to the actual launch of the
18		pilot.
19	Q	And do you know why it was abandoned?
20	A	
21		
22		
23	Q	So then after the initial development, Walgreens
24		then changed essentially the purpose of what the
25		Prescription Savings Club was going to be?

		Page 72
1	A	Yes.
2	Q	And when was that?
3	A	Again, sometime prior to the initial launch. So
4		I would say early 2006.
5	Q	And what was the ultimate purpose of the can
6		I call it can I use PSC. Can I use PSC?
7	A	Let's do that.
8	Q	What was the ultimate purpose of the PSC?
9	A	The purpose changed to being to offer a
10		membership program for uninsured and
11		underinsured customers who were, for the most
12		part, price sensitive customers.
13	Q	Has that been the purpose throughout the
14		since the national launch to today, for example?
15	A	Yes.
16	Q	Have there been any other purposes of the PSC?
17	A	Yes.
18	Q	What other purposes does the PSC serve?
19	A	Really, I guess it's a clarification. When I
20		say it's a product intended to provide a
21		different set of prices to the uninsured and the
22		underinsured, Walgreens wasn't doing that from
23		an altruistic perspective. There's an element
24		of that as a health care services provider,
25		we wanted people to have access to prescriptions

Page 73

that they might otherwise not have been able to afford, but we also thought that the program would -- it would do two things: One, it would cause people who might otherwise fill their prescriptions at a different pharmacy provider to come to Walgreens. And to the extent that people were going to pay a membership fee and join a club program, then any time they did have a prescription, they wouldn't say, Oh, I'm going to be at the grocery store. I'll just fill it at, you know, at Kroger. They would say, I paid to be part of this program at Walgreens, and so I'm going to take all of my prescriptions there and get all the value I can out of that program.

So that loyalty was another element that we were trying to drive.

- Q So we have the definitions, you referred to two categories of customers, I think. Uninsured. Who are you referring to with respect to the definition of uninsured?
- A These are individuals who have no third-party coverage from any source.
- Q And underinsured, what does that mean?
- A Underinsured is a more difficult one because I think it -- colloquially you sort of think, oh,

	Page 90
1	the PSC pricing to individuals who did not pay a
2	membership fee?
3	A Not to my knowledge.
4	Q Did Walgreens ever make exceptions to
5	including certain individuals or categories of
6	individuals as to receive the PSC pricing
7	although they hadn't paid a membership fee?
8	MS. COLEMAN: Objection to form.
9	THE WITNESS: So in the interest of
10	clarity, I think I understand. There was a time
11	starting in 2011, actually through to this date,
12	when Walgreens corporate pays the PSC membership
13	fee for its employees who wish to join the club.
14	And so as an employee benefit, there were
15	individuals who had that fee paid for them by
16	the company.
17	BY MR. GUGLIELMO:
18	Q Other than Walgreens' employees, are there
19	certain categories of individuals that would
20	receive the PSC pricing, although not members of
21	the PSC club?
22	A No.
23	MR. LEIB: And just to be clear, I think
24	the witness testified that the Walgreens'
25	employees for whom the fee was paid were members

	Page 91
1	of the Walgreens Prescription Savings Club.
2	MR. GUGLIELMO: Understood.
3	MR. LEIB: Okay. Your question sort of
4	assumed that it wasn't. So I just want to
5	MR. GUGLIELMO: No. I was following up my
6	prior question.
7	BY MR. GUGLIELMO:
8	Q Is the PSC a formal, legal entity as far as you
9	know?
10	MS. COLEMAN: Objection to form.
11	THE WITNESS: I don't know.
12	BY MR. GUGLIELMO:
13	Q Are there officers or directors of the PSC?
14	A Not to my knowledge.
15	Q Are there eligibility requirements for the PSC?
16	A There are, yes.
17	Q What are they?
18	A The two key requirements, one, the individual
19	has to be willing to provide an email address as
20	part of registration, which is so we can
21	communicate with these individuals who are part
22	of the club. And, two, they have to certify
23	that they're not members of a publicly funded
24	program, meaning Medicaid or Medicare.
25	Q And do you have an understanding why Walgreens

		Page 92
1		excludes members of a publicly funded program?
2	A	
3		
4		
5		
6		
7		
8		
9	Q	Any other requirements other than the email
10		address and the certification?
11	A	In addition to the certification and the
12		primary what the certification was was a
13		subset of agreeing to the terms and conditions
L 4		of membership in the program. So that was the
15		other piece; had to agree to the terms and
16		conditions.
17	Q	Does Walgreens maintain the certifications of
18		those who have joined the club?
19		MS. COLEMAN: Objection to form.
20		THE WITNESS: I don't have specific
21		knowledge. It would surprise me greatly if we
22		did not maintain those certifications and
23		document those certifications.
24	BY	MR. GUGLIELMO:
25	Q	In the process of enrolling a member, does the

		Page 93
1		pharmacy have to indicate that the potential
2		member has provided the specific requirements;
3		in other words, the email address and certify?
4	A	The individual customer actually, on the PIN pad
5		at the point of sale, has to confirm what we
6		just discussed. And for that reason, for
7		example, people can't join the PSC when they
8		come through the drive-thru because we don't
9		have that terminal for them respond that they're
10		accepting the terms and conditions, and that
11		they're not a member of a publicly funded
12		program. And so it's not the pharmacist that
13		does the confirmation, it's actually an active
14		action of the customer themselves at the point
15		of sale.
16	Q	Has that been the process from 2008 to the
17		present?
18	A	Yes.
19	Q	Is there any other way to join other than
20		through the process that you've just described?
21	A	Individuals through Walgreens.com, they can fill
22		out what looks like an enrollment form. And
23		they provide the information, and they can print
24		that form. But then in order to actually join
25		the program, they have to bring that to the

		Page 94
1		pharmacy and go through the steps that I talked
2		about where they actually have to make those
3		confirmations at the point of sale.
4		So to my knowledge, the only way to join
5		the PSC is in store physically.
6	Q	Okay. At a certain point in time, Walgreens
7		began developing call it PSC 2?
8	A	Yes.
9	Q	Do you know approximately when that started?
10	A	The development began 2010, 2011. The launch
11		was May of 2012.
12	Q	And what was the reason why Walgreens developed
13		PSC 2, or 2.0?
14	A	There were a lot of surveys that were done of
15		our customers around our club program, other
16		options they had in the marketplace, and one of
17		the things that we heard very clearly was that
18		customers were they wanted to have certainty
19		about what they were going to pay for their drug
20		before they ever got to the pharmacy.
21		And so in PSC 1.0, we had somewhere between
22		300 and 400 VPGs, value price generics, that we
23		talked about previously that had that
24		characteristic where we published a list that
25		said, you know, these 300 or 400 NDCs, you will

Page 95

pay 9.99 for a 30-day supply, or you will pay \$12 for a 90-day supply.

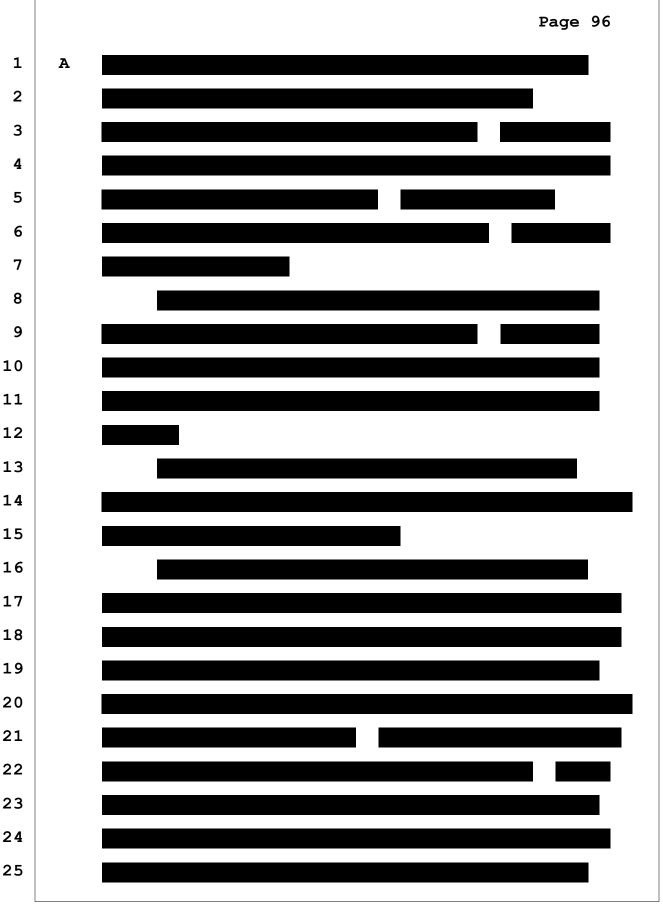
We wanted to create that certainty across a larger number of products. And the cost to Walgreens of actually purchasing these drugs, we couldn't support that price point for all of the drugs that we might want to put onto a fixed published price, and so we created additional tiers.

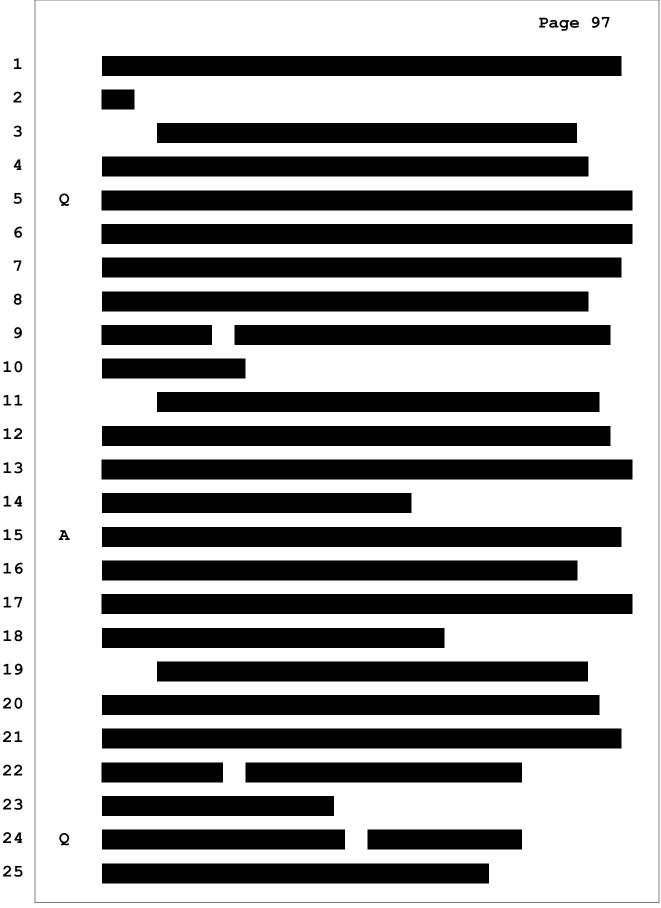
And so there were certain drugs where it made sense from a Walgreens' cost perspective that those could be \$5 for a 30-day supply, that was tier 1. Others at \$10 for two tier. And then tier 3 was \$15.

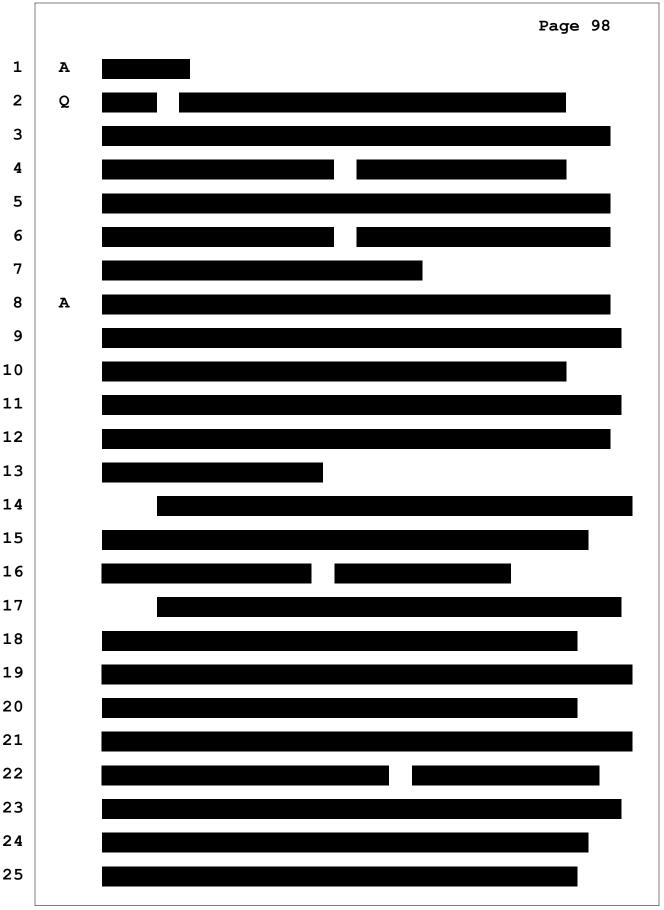
And now we got to 700 to 800 drugs instead of that 300. And so it really -- that was the primary motivating factor, was just to put more products on the VPG in a way that it would create great visibility for those individuals and attract them to our store.

- Q Taking a step back. You mentioned the 9.99 and \$12 price points for PSC 1?
- A Yes.

Q Do you know why those price points were set at the prices that were provided?



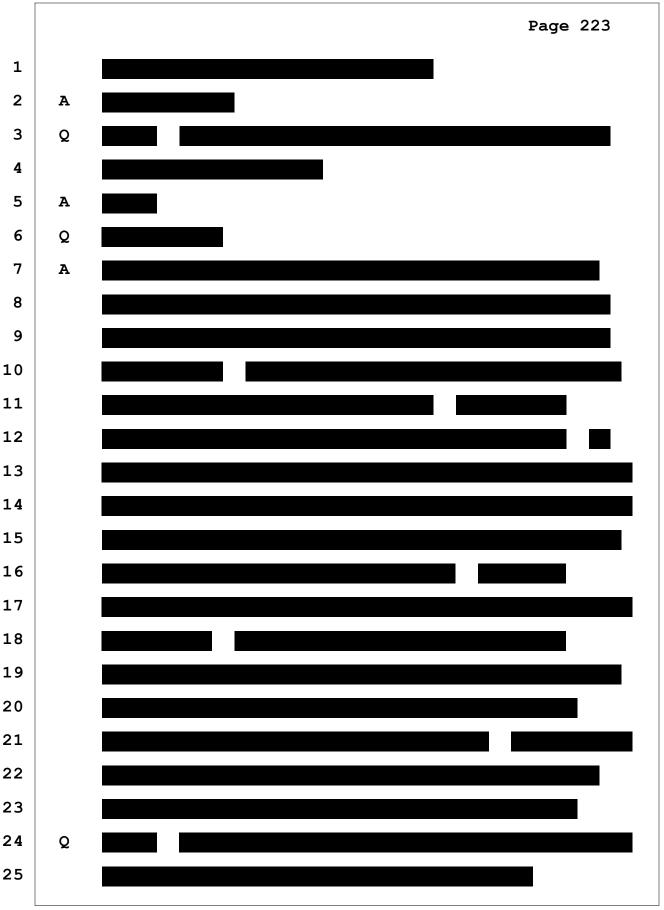


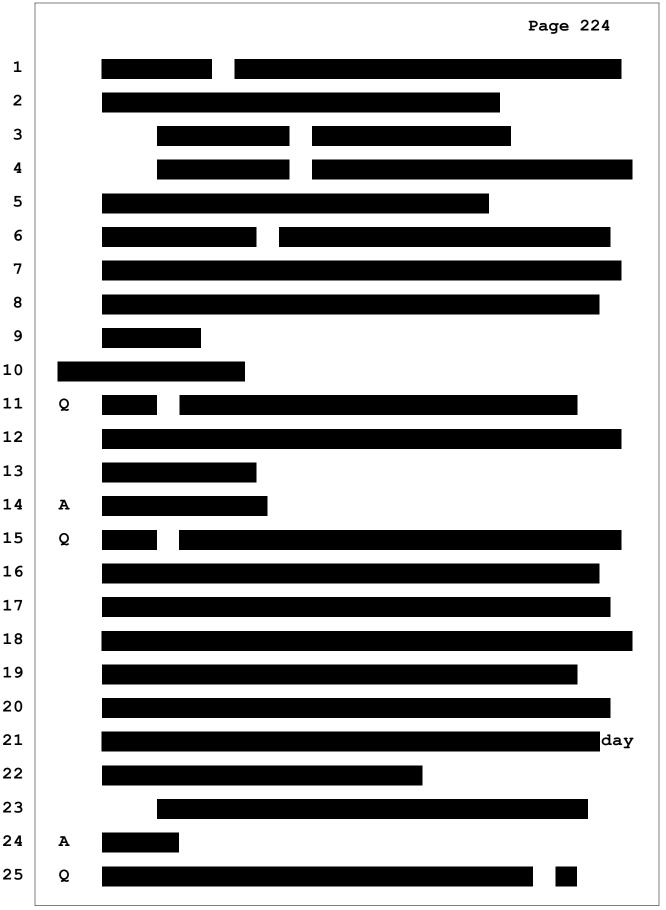


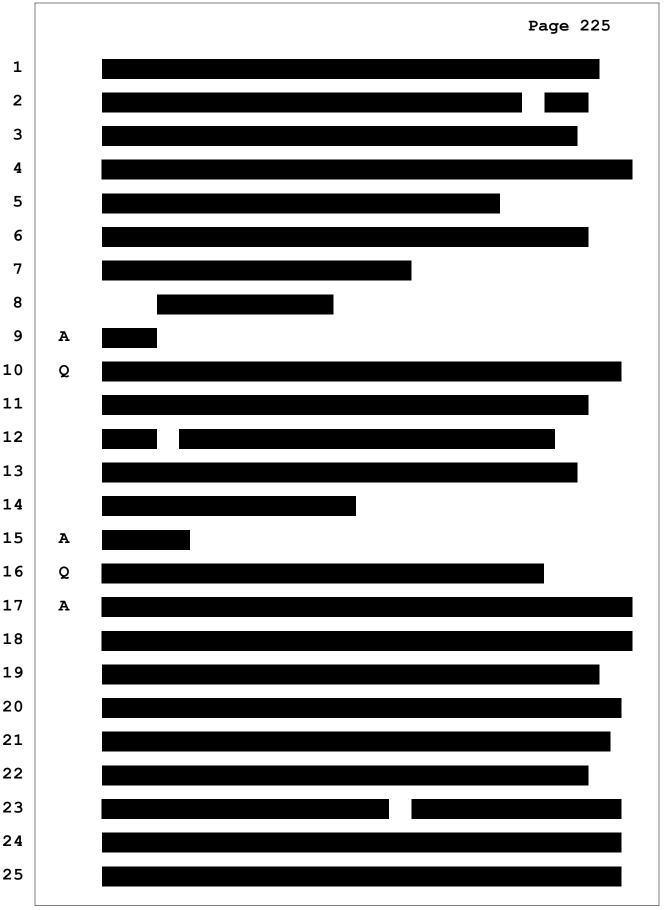
	Page 115
1	MR. LEIB: Would this be a good time for a
2	break?
3	It sounds like or whenever you're
4	finished with this line of questioning.
5	MR. GUGLIELMO: About five minutes.
6	MR. LEIB: That's fine.
7	MR. GUGLIELMO: Thank you.
8	BY MR. GUGLIELMO:
9	Q How did Walgreens market the PSC 1 program to
10	individuals?
11	A Around the time of the national launch, we did a
12	significant amount of marketing. A number of
13	different components. I'll describe the most
14	important ones. We can go through them.
15	We did broadcast advertising both national
16	and local. So TV ads. We did radio ads.
17	Again, national and local. We did ads in print
18	publications, both the circular or the roto that
19	Walgreens circulated as well as other print
20	publications. We did other outdoor advertising.
21	Billboards, for example. We did a significant
22	amount of in-store advertising. So we had
23	trifold brochures that were available in all the
24	pharmacy counters. We had in-store signage.
25	The reader boards that are outside of the store,

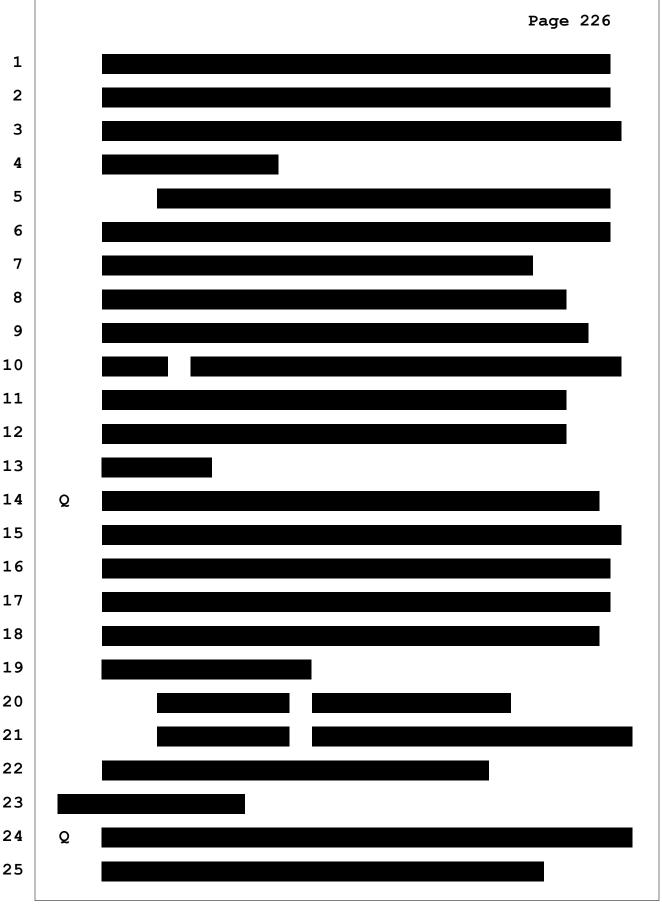
	Page 116
1	they have the LED scroll, we would advertise the
2	PSC.
3	And then one of the most powerful marketing
4	tools that we have is our pharmacists and our
5	pharmacy techs who would talk to people about
6	the availability of the program.
7	I think those are the principal ways that
8	we communicated with individuals.
9	Q Who was the target audience or demographic with
10	respect to the marketing program for PSC 1?
11	MS. COLEMAN: Objection to form.
12	THE WITNESS: Everyone, frankly. The
13	marketing wasn't targeted to a particular subset
14	of individuals. Everyone who was paying a
15	significant out-of-pocket amount for drugs who
16	might be interested in being part of a club
17	where they could receive discounts on the amount
18	that they were paying, that's who we were
19	targeting, whoever they might be.
20	BY MR. GUGLIELMO:
21	Q And was part of the message in the marketing
22	that the PSC was an alternative for cash paying
23	customers or retail price paying customers?
24	A The messaging, to my knowledge, is always around
25	uninsured customers, and cash customers are a

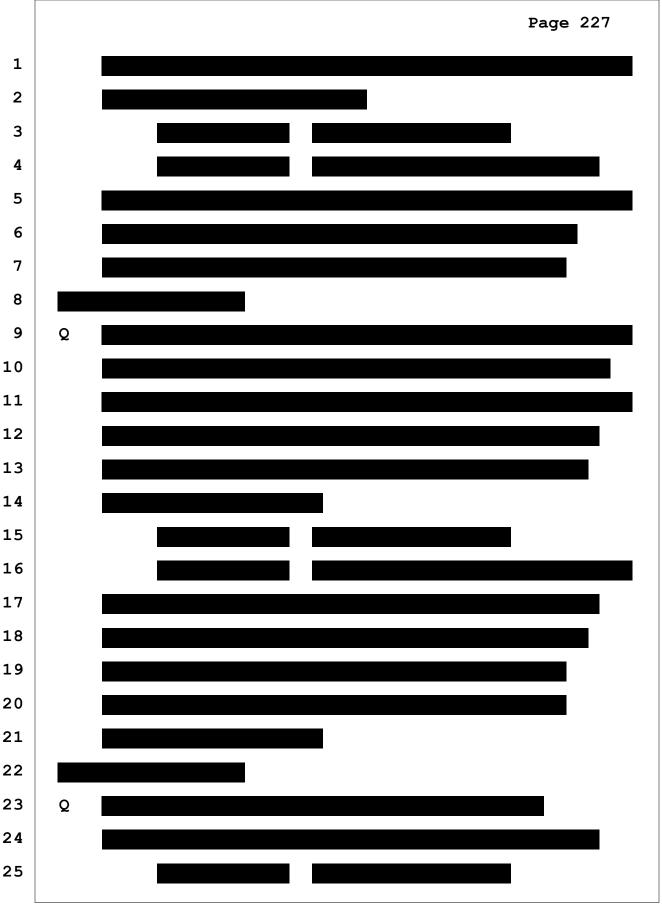
		Page 117
1		subset of uninsured customers, customers who pay
2		the retail price. And then underinsured
3		customers who, really as we talked about,
4		anybody who had insurance but had a high
5		out-of-pocket cost on at least one of their
6		products, they were the target audience as well.
7	Q	Did Walgreens market the PSC 2 Taft-Hartley
8		funds?
9	A	No.
10	Q	Do you know if Walgreens marketed the PSC to
11		third-party payors?
12	A	Third-party payors. Do you mean plan sponsors?
13	Q	Yes.
14	A	No. The marketing was to individuals who may
15		have been covered under those plan sponsors,
16		those third-party payors, but there was no
17		explicit marketing done to health plans or
18		employer groups.
19	Q	Were they a part of the target audience?
20	A	The health plans?
21	Q	Yes.
22	A	The third-party payors, no, they were not.
23	Q	How about the Taft-Hartley funds, were they a
24		part of the target audience?
25	A	The proposition was for consumers. So in that

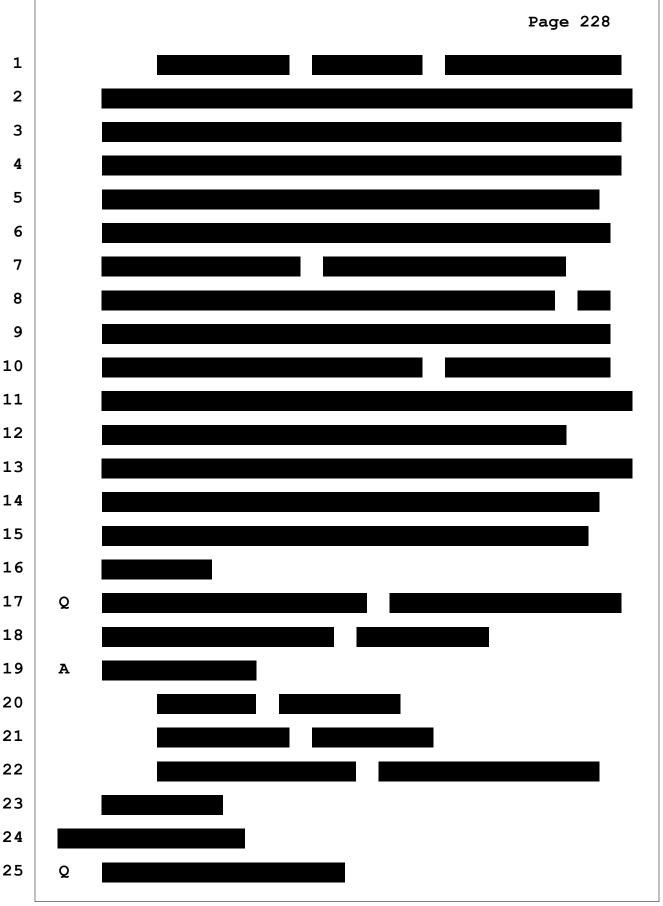


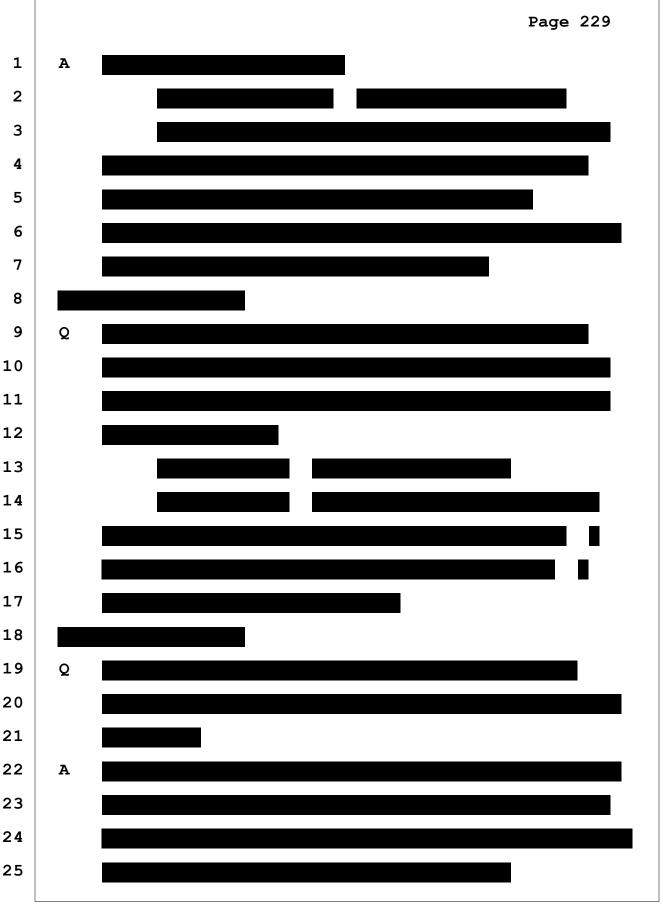


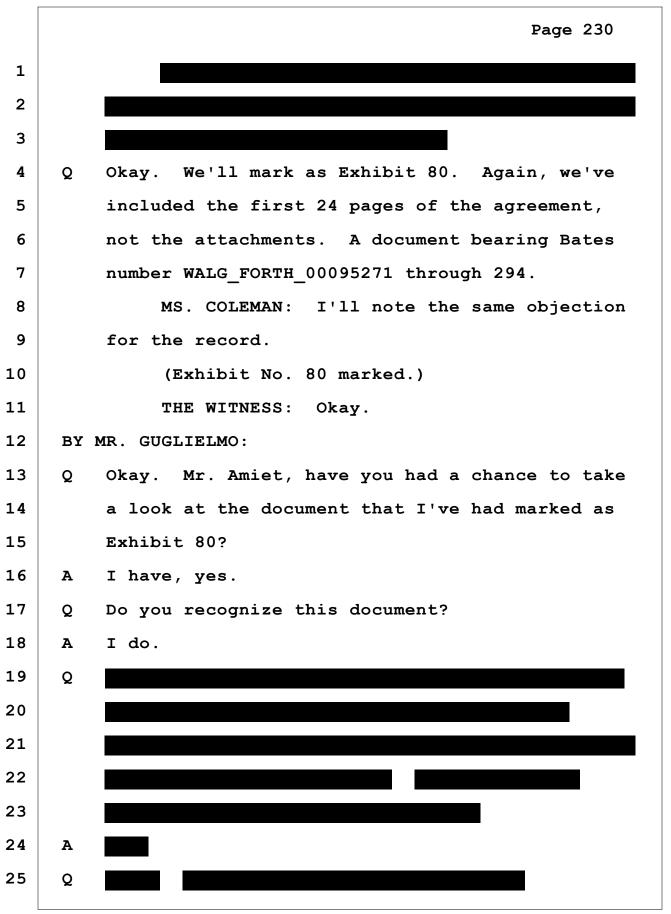


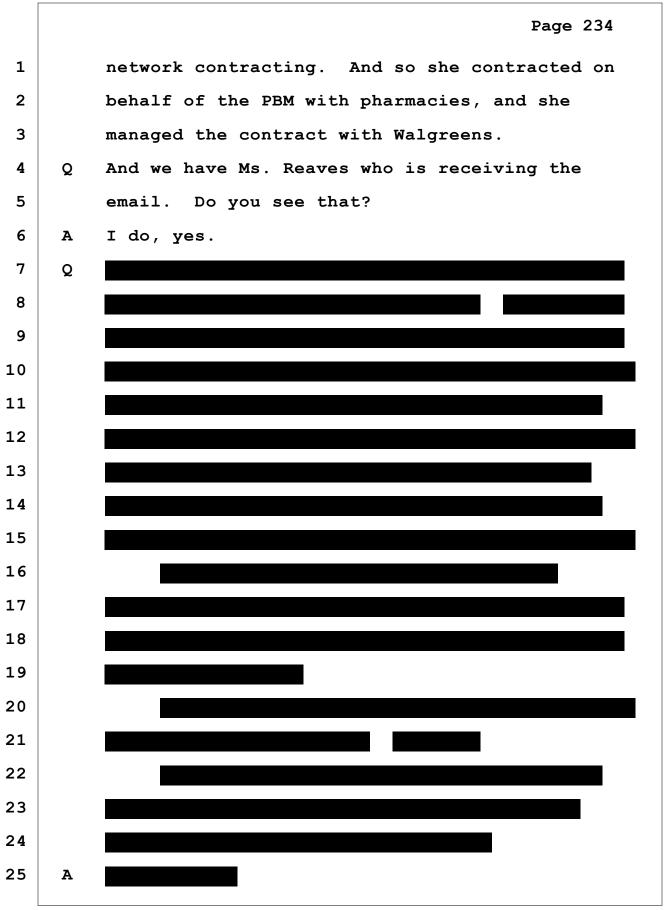


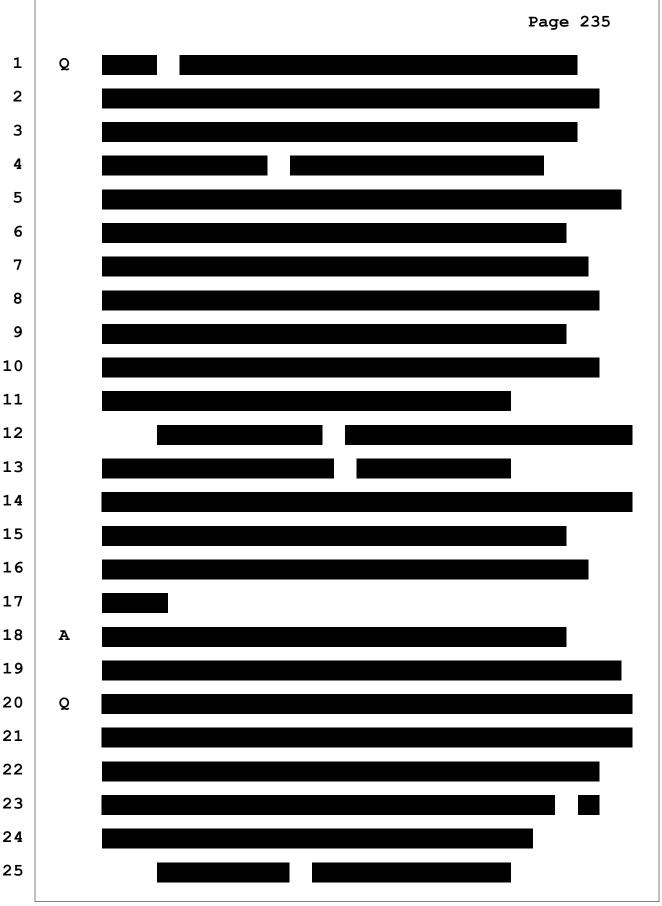


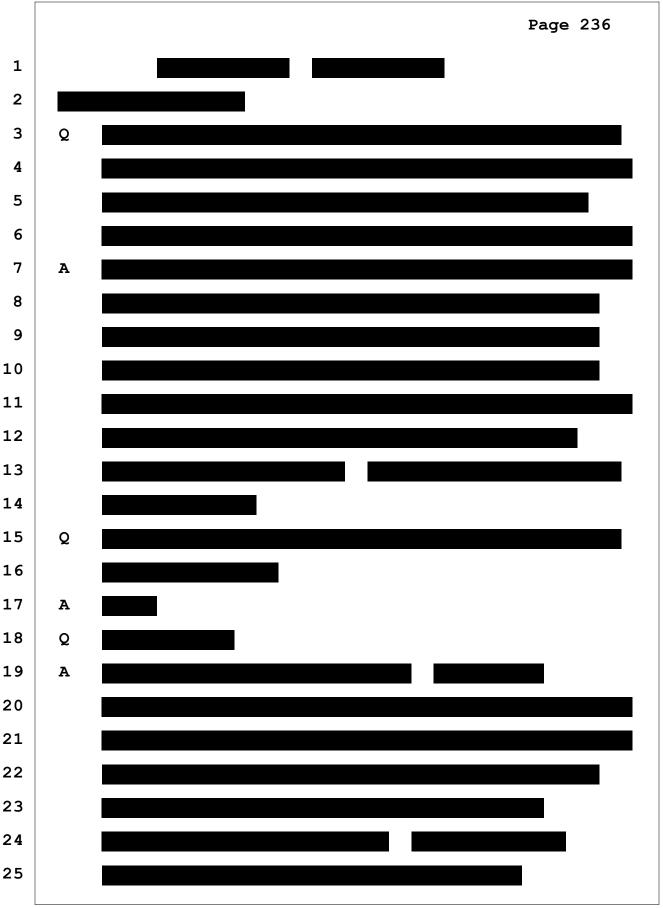


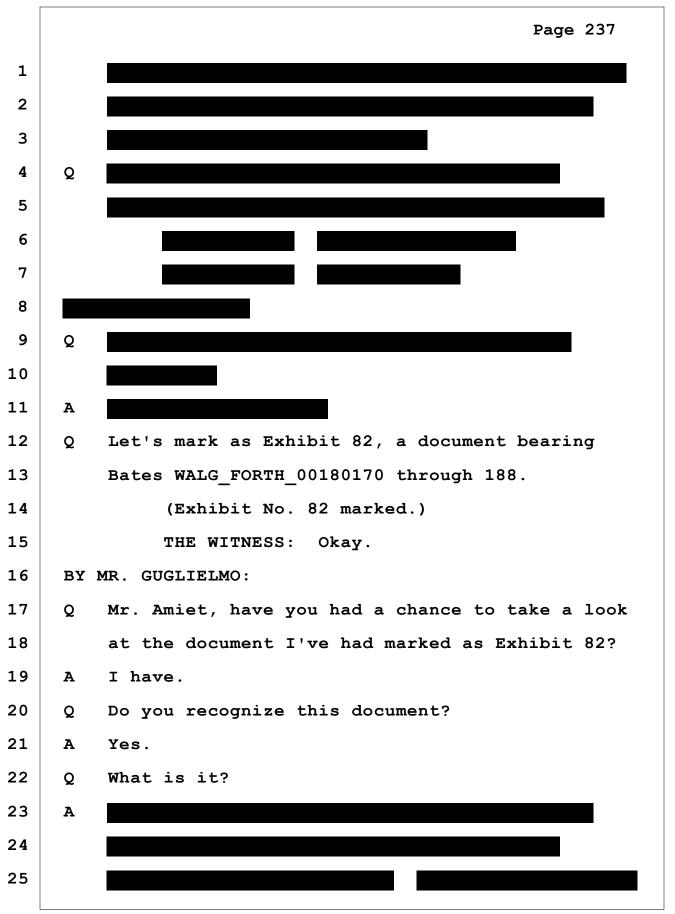


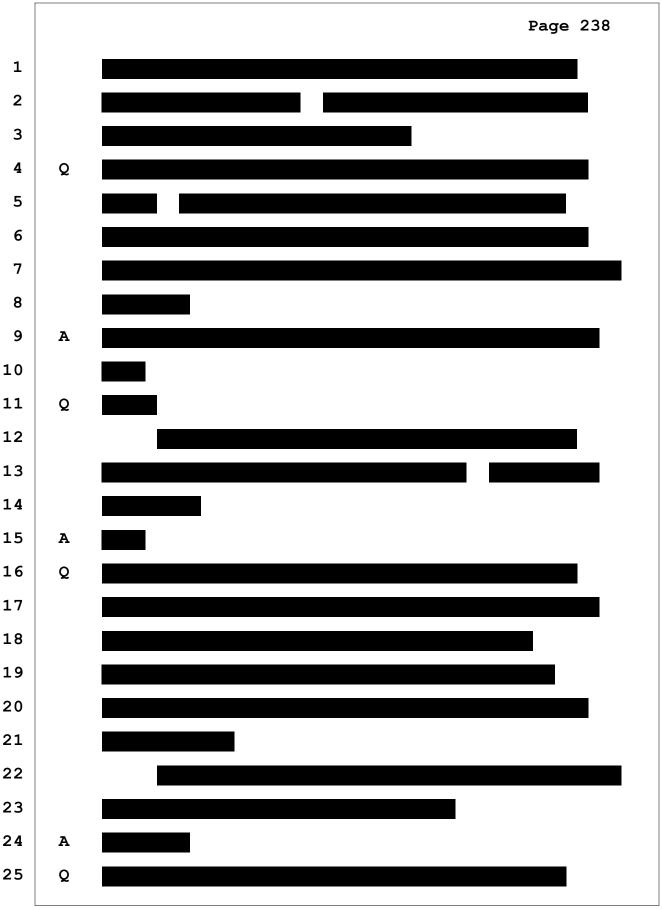


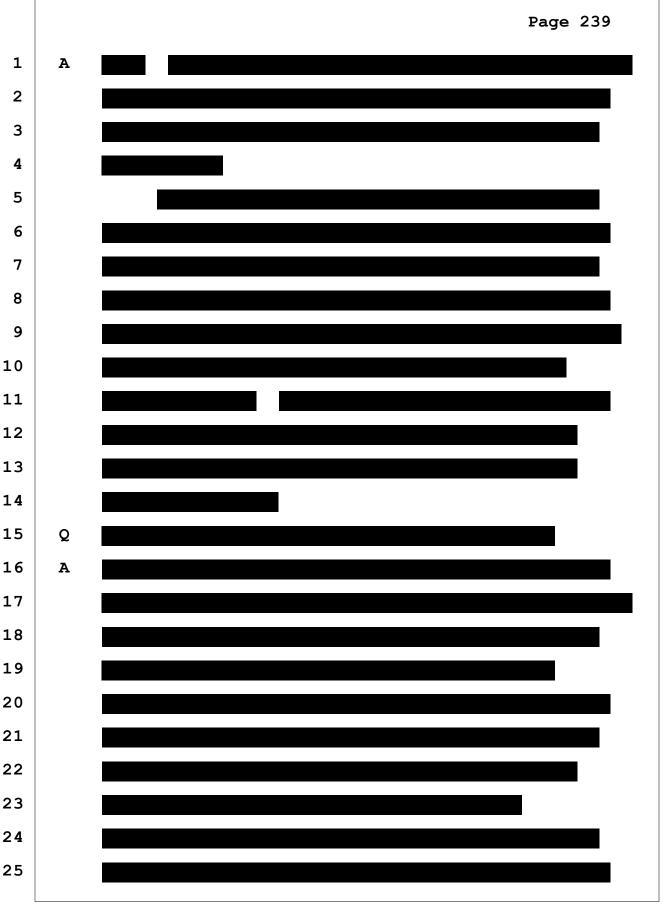


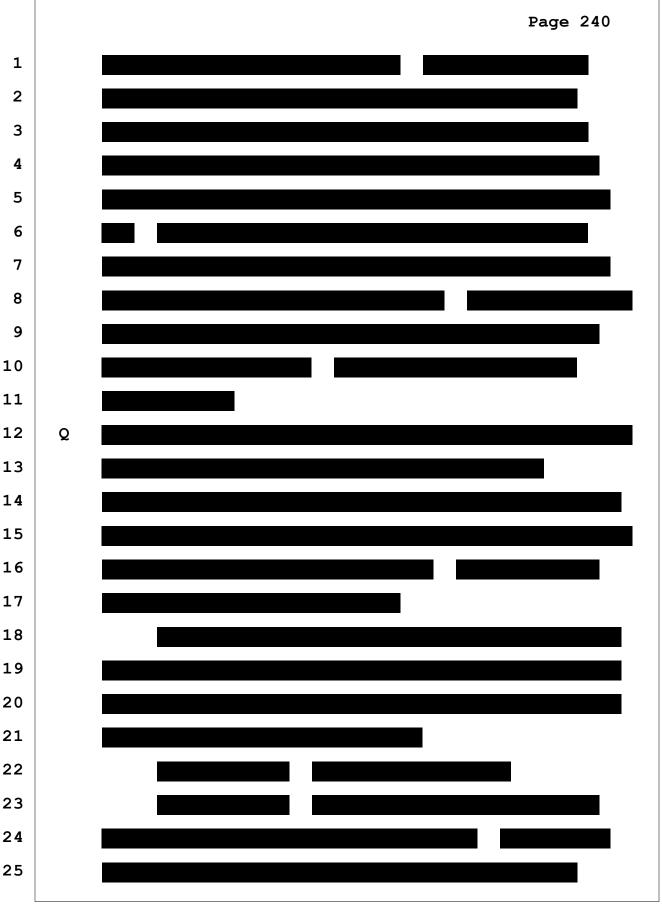




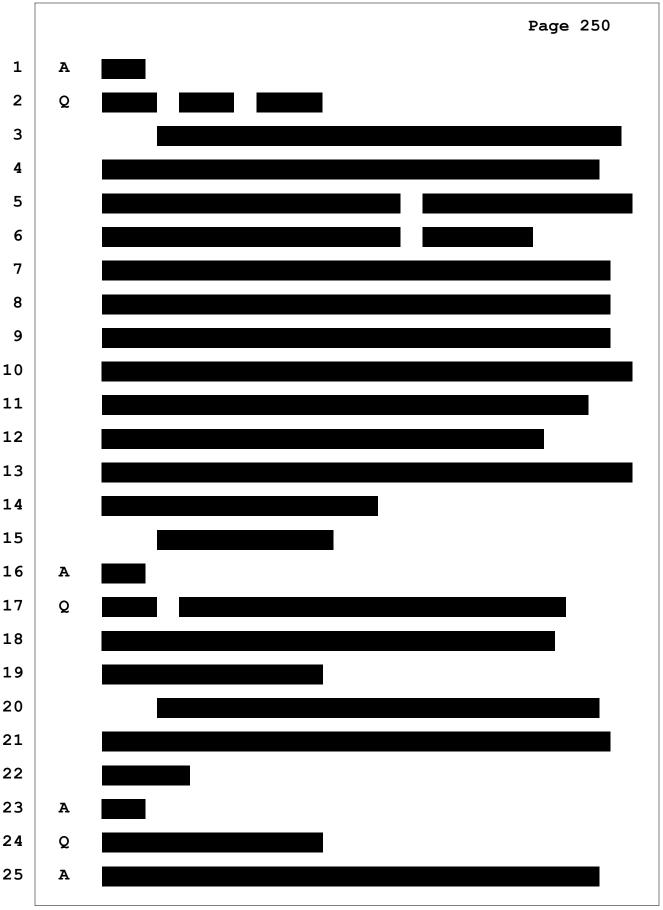


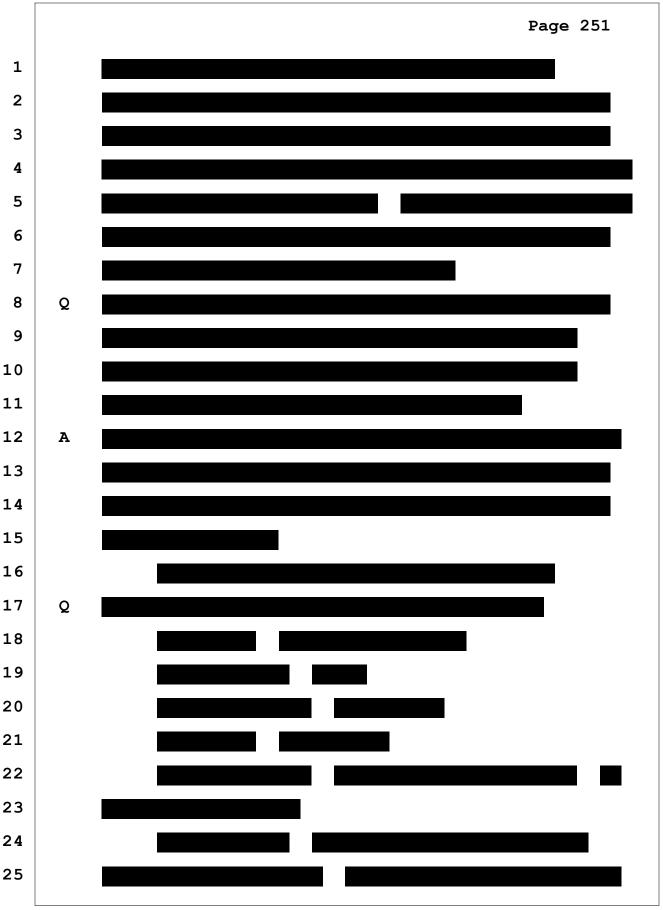






		Page 249
1		understanding is it's your position, or at least
2		Walgreens' position, that because it's a cash
3		customer it wouldn't be; is that correct?
4	A	That's correct.
5	Q	We'll turn to an exhibit marked as 84. And I
6		truncated this one as well because it's over 166
7		pages. Walgreens_FORTH_00163844 through 868.
8		MS. COLEMAN: Same objection. We
9		appreciate you saving the trees.
10		MR. GUGLIELMO: That's fine.
11		(Exhibit No. 84 marked.)
12		THE WITNESS: Okay.
13	ву	MR. GUGLIELMO:
14	Q	Mr. Amiet, have you had a chance to take a look
15		at this document I've marked as Exhibit 84?
16	A	I have, yes.
17	Q	Okay. And what is this document?
18	A	
19		
20		
21	Q	
22		
23		
24	A	
25	Q	





	Page 285
1	CERTIFICATE
2	
	I, Richard D. Ehrlich, a Certified Shorthand
3	
4	Reporter of the State of Illinois, CSR License No.
3	084-4018, do hereby certify that I stenographically
5	
	reported the proceedings had at the video deposition,
6	
_	as aforesaid, and that the foregoing transcript is a
7	two and accounts magand of the proceedings had
8	true and accurate record of the proceedings had
	therein.
9	
	IN WITNESS WHEREOF, I do set my hand at
10	
	Chicago, Illinois, this 13th day of December, 2019.
11 12	
13	
14	1/11) 2/1/
	We thit
15	Richard D. Ehrlich
1.0	Certified Shorthand Reporter
16 17	License No. 084.4018
18	
19	
20	
21	
22	
23 24	
25	
_•	